



HOUSE OF COMMONS
LONDON SW1A 0AA

September 2020

Dear Constituent,

Thank you for contacting me about early years funding.

I strongly believe that early years are crucial to giving every child the best start in life and therefore welcome the doubling of free childcare for working parents of 3- and 4-year olds and the introduction of tax-free childcare. Indeed, more than 850,000 disadvantaged 2-year-olds have benefited from 15 hours of free childcare since it was introduced.

In order to realise this ambitious expansion, a fairer funding system for early years providers was introduced in 2017. The previous system had been based on historic expenditure, leading to significant variations in funding for local authorities. The new Early Years National Funding Formula is ensuring funding is allocated fairly, transparently and on a sustainable basis.

In April, all local authorities saw an increase to the hourly funding rates for two-year-olds and an increase in the vast majority of areas for three and four-year-olds with the overall spend on early education entitlements rising to £3.6 billion in 2020-21.

These changes have created a fairer system that better provides the affordable and high-quality childcare needed to give children all over the country the best opportunity to reach their full potential.

Maintained nursery schools make a vital contribution to improving the lives of some of the most disadvantaged children. Supplementary funding of around £60 million has been provided for 2020-21, in recognition of extra costs such as maintained nursery schools experience. This is in addition to the funding they receive under the Early Years National Funding Formula. In 2019 it was also announced that local authorities would be provided with further funding of around £24 million to enable them to protect the funding of maintained nursery schools for the whole of the 2019-20 academic year.

I know this is a worrying and uncertain time for childcare providers and parents alike and so I'm pleased Ministers have worked with the Treasury on a package of support for nurseries, pre-schools and childminders during this period.



In March, the Chancellor confirmed local authorities will continue to receive full funding for the free entitlements for two-, three- and four-year-olds, which I hope will have provided reassurance for early years providers.

Wider support made available for individuals and businesses will also have benefitted childcare providers, including a business rates holiday, business interruption loans, the Coronavirus Job Retention Scheme and help for the self-employed. Details of support available for childcare providers are available here:

<https://www.gov.uk/government/publications/coronavirus-covid-19-early-years-and-childcare-closures/coronavirus-covid-19-early-years-and-childcare-closures#funding>.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY